

August 8, 2019

The Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Ms. Cheryl Blundon
Director Corporate Services & Board Secretary

Dear Ms. Blundon:

Re: Planned Outage for the Labrador-Island Link

In its April 12, 2019 correspondence, Newfoundland and Labrador Hydro ("Hydro") provided the Board of Commissioners of Public Utilities ("Board") with an update regarding the Labrador-Island Link ("LIL") bipole delivery schedule. The letter included information on anticipated activities through 2019 to facilitate the availability of the LIL for the 2019-2020 winter operating season.

Recent information from Nalcor Energy–Power Supply indicates that there have been changes to the schedule resulting in a delay of the testing and commissioning activities detailed in the April 12, 2019, correspondence.

The activities required for bipole implementation have not changed from those listed in Hydro's previous letter; the information below indicates the status of those activities including those completed and the most recent dates associated with remaining major activities.

- Implementation of version 17c monopole software. Complete. This version has features required for the bipole software.¹ Implementation began on April 30, 2019 and was completed with the line re-energized on May 25, 2019;
- Assessment of version 17c performance including a period of online testing with power transfers to identify and correct any issues. Complete. Online testing occurred from May 25 to June 4, 2019. Power transfers up to 140 MW were completed. The 17c version was found to correct some earlier identified deficiencies and highlighted additional work to be done for the bipole implementation;
- Installation and testing of the hardware required for bipole operation in preparation of the installation of the factory tested bipole production software ("Interim Bipole Software").² The outage work began on June 5, 2019. Field testing of equipment and points checking to the Energy Control Centre without power transfers are ongoing. The LIL will remain off-line until dynamic testing of the Interim Bipole Software begins;

¹ Version 17c was not intended to address the susceptibility to external ac faults, as detailed in Hydro's biweekly "Labrador-Island Link In-Service Update," April 2, 2019; however, it has crucial features that are required for the bipole that are not in the software used this past winter. It was installed to test these features to lessen the risk of related issues arising during bipole implementation.

² The software was referenced as "August Bipole Software," in the April 12, 2019 correspondence. The anticipated release date for this software is now mid- to late-October 2019.

- Dynamic testing of the Interim Bipole Software including required online testing with power transfers. The dynamic commissioning is forecast to occur from mid-October 2019 through to mid-February 2020 (previously scheduled for September and October 2019); However, based on an assessment of progress to date, Nalcor Energy is anticipating dynamic testing of power transfers will not occur until early January 2020; and
- Trial operations of the bipole beginning February 16, 2020 (previously scheduled for November 1, 2019).

These developments remain necessary for implementation and satisfactory function of the LIL in bipole mode.

Hydro has also been advised that an outage will be required to commission the remaining software features required for the higher power transfers expected in 2020 ("Final Bipole Software").³ This outage is currently scheduled to occur in late-April through mid-May 2020.

To support the provision of reliable service to customers through the 2019-2020 winter season, Hydro is carrying out necessary work at the Holyrood Thermal Generating Station to help ensure that it is fully capable of providing maximum output this coming winter. This operating scenario falls within the range of scenarios considered in Hydro's most recent assessment of near-term generation adequacy.⁴

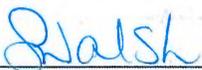
As requested by the Board in its correspondence on March 19, 2019, Hydro continues to work with Liberty Consulting Group as part of "The Board's Investigation and Hearing into Supply Issues and Power Outages on the Island Interconnected System – Phase Two – Availability of Information and Ongoing Reporting and Monitoring," process. At Hydro's next update meetings with Liberty Consulting Group, Hydro will provide information on the remaining software features to be completed and any additional details available at that time on the above noted outages.

Hydro will continue to inform the Board on any material developments.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/las

cc: Gerard M. Hayes, Newfoundland Power
Paul L. Coxworthy, Stewart McKelvey
ecc: Greg Moores, Stewart McKelvey
Senwung Luk, Olthuis Kleer Townshend LLP

Dennis Browne, Q.C., Browne Fitzgerald Morgan & Avis
Denis J. Fleming, Cox & Palmer
Dean A. Porter, Poole Althouse

³ This software was referenced as "Additional Bipole Software," in the April 12, 2019 correspondence.

⁴ "Near-Term Generation Adequacy Report" filed with the Board on May 15, 2019.